

Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CIAE-00 COME-00 DODE-00 FMC-04

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R 200907Z SEP 73

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 5266

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E.O. 11652: N/A

TAGS: ETRN, MY

SUBJECT: CONGESTION SURCHARGE FOR PORT KELANG

REF: STATE 182162

1. SUMMARY: CONGESTION AT PORT EKLANG DURING JAN-JULY 1973 DUE LARGELY NON-RECURRING CONDITIONS. LOADING AND UNLOADING TIMES ALMOST NORMAL PRESENT TIME. EMBASSY STRONGLY RECOMMENDS THAT \$5 PER TON CONGESTION SURCHARGE NOT BE INSTITUTED. END SUMMARY.

2. EMBASSY OFFICER VISITED PORT KELANG SEP 18 TO INVESTIGATE ALLEGED CONGESTION. TALKED WITH LOCAL AGENT FOR US SHIPPING LINES, DIRECTOR-GENERAL KELANG PORT AUTHORITY, PORT AUTHORITY TRAFFIC MANAGERS FOR CONTAINER PORT AND NORTH PORT WHICH HANDLES REGULAR IMPORT CARGO, AND PERSONAL OBSERVED CARGO HANDLING OPERATIONS.

3. LOCAL AGENT AND PORT AUTHORITY OFFICIALS SAY CONGESTION HAS EXISTED, ESPECIALLY JAN-JULY 73. FOR FIRST SIX MONTHS 73 AVERAGE TURN-AROUND TIME IN PORT FOR CARGO SHIPS WAS 2.47 DAYS COMPARED TO 1.48 DAYS JAN-JUNE 72.

4. DIRECTOR GENERAL ATTRIBUTES CONGESTION FOLLOWING FACTORS: (A) INCREASED TONNAGE. 2.5 MILLION TONS (IMPORT AND EXPORT) HANDLED JAN-JUNE 73, AN INCREASE
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OF 19 PERCENT OVER SIMILAR PERIOD 72. PORT FACILITIES

STRAINED AS EXPANSION OF FACILITIES BASED ON PROJECTED ANNUAL INCREASED TONNAGE 12 TO 14 PERCENT; (B) IMPROVEMENTS IN PHYSICAL FACILITIES. SEVERAL PIERS CLOSED TEMPORARILY DURING PERIOD FOR DREDGING AND ENLARGEMENT TO HANDLE LARGER CARGO SHIPS; (C) NEW CONTAINER PORT. TEMPORARY DELAYS AND INEFFICIENCIES OCCURRED WHEN NEW CONTAINER PORT FIRST OPENED MAY 73. EFFICIENCY OF CONTAINER PORT HAS IMPROVED EACH SUCCESSIVE MONTH AND TWO ADDITIONAL CONTAINER BERTHS WILL BE OPERATIONAL SHORTLY. EMBASSY OBSERVES ALSO THAT KELANG PORT AUTHORITY TOOK OVER STEVEDORING OPERATIONS FROM PRIVATE FIRMS DURING PERIOD WHICH RESULTED IN LABOR PROBLEMS AND INEFFICIENCIES DURING TRANSITION.

5. DIRECTOR GENERAL AND LOCAL AGENT SAY FACTORS CAUSING CONGESTION EARLY 73 TEMPORARY AND NON-RECURRING WITH POSSIBLE EXCEPTION INCREASED TONNAGE WHICH CANNOT BE ACCURATELY FORECAST. HOWEVER, DIRECTOR GENERAL BELIEVES TONNAGE THUS FAR 73 ABNORMALLY HIGH AND NOT INDICATIVE OF COMING MONTHS. 1973 INCREASE PRIMARILY RESULT OF UNUSUALLY LARGE IMPORTS (E.G., RICE) AND EXPORTS (E.G., RUBBER) WHICH ARE EXPECTED TO FALL OFF IN COMING MONTHS.

6. DIRECTOR GENERAL SAYS ATLANTIC AND GULF CONFERENCE ESTABLISHED CONGESTION CHARGE ARBITRARILY WITHOUT INVESTIGATING IF CONGESTION TEMPORARY, AND WHEN IMPROVED CONDITIONS MAY BE EXPECTED. TO BEST OF HIS KNOWLEDGE CONGESTION SURCHARGE UNIQUE TO THIS CONFERENCE.

7. LOCAL AGENT SAYS LOADING AND UNLOADING TIMES NEARLY NORMAL AT PRESENT WITH NO UNDUE DELAYS.

8. EMBASSY ASSESSMENT IS THAT CONGESTION DID EXIST FIRST PART 73, BUT THAT SITUATION HAS IMPROVED. EMBASSY AGREES THAT MANY FACTORS CONTRIBUTING CONGESTION TEMPORARY AND NON-RECURRING. PHYSICAL IMPROVEMENTS DURING FIRST HALF 73 SHOULD RESULT MORE EFFICIENT FUTURE PORT OPERATIONS. EMBASSY STRONGLY RECOMMENDS THAT CONGESTION SURCHARGE, EFFECTIVE OCTOBER 1, 1973, BE RESCINDED.

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